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AMEMBASSY ASTANA PASS TO USOFFICE ALMATY
AMEMBASSY BERLIN PASS TO AMCONSUL DUSSELDORF
AMEMBASSY BERLIN PASS TO AMCONSUL LEIPZIG
AMEMBASSY BELGRADE PASS TO AMEMBASSY PODGORICA
AMEMBASSY HELSINKI PASS TO AMCONSUL ST PETERSBURG
AMEMBASSY ATHENS PASS TO AMCONSUL THESSALONIKI
AMEMBASSY MOSCOW PASS TO AMCONSUL VLADIVOSTOK

AMEMBASSY MOSCOW PASS TO AMCONSUL YEKATERINBURG

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TAGS: PREL PGOV MK SR

SUBJECT: SERBIA/MACEDONIA: GRUEVSKI VISIT TO BELGRADE REJUVENATES BILATERAL TIES

REF: 08 BELGRADE 1059

CLASSIFIED BY: Deborah Mennuti, Political Chief, DOS, POL; REASON: 1.4(D)

11. (U) This cable was coordinated with Embassy Skopje.

Summary

12. (C) The visit of Macedonian Prime Minister Nikola Gruevski to Belgrade in late July signaled the end to the diplomatic freeze between the two countries and opened avenues for further cooperation. Just over a month after Serbia ended its restrictions on diplomatic relations and welcomed a new Macedonian ambassador to Belgrade, Gruevski's visit focused on economic and cultural cooperation while restoring bilateral relations to the degree enjoyed just prior to Macedonia's October 2008 recognition of Kosovo. While outstanding bilateral differences exist -- such as those involving Kosovo issues and inter-church disputes -- political will exists on both sides to repair bilateral ties and move ahead with closer cooperation. End Summary.

Gruevski Visits Belgrade

13. (SBU) Macedonian Prime Minister Nikola Gruevski's visit to Belgrade on July 22 signified a step by both sides to reinvigorate a bilateral relationship that had been restricted after Macedonia's recognition of Kosovo last October (Ref). Traveling with a Deputy Prime Minister, Minister of Economy, and 45 Macedonian businessmen, Gruevski's visit focused on discussing economic issues and included meetings with President Tadic, Prime Minister Cvetkovic, Parliament Speaker Slavica Djukic-Dejanovic, as well as a business roundtable hosted by the Serbian Chamber of Commerce. President Tadic told a press conference that Serbia would continue to support Macedonia's

quest for EU membership, urged greater economic cooperation as a "strategic goal," and affirmed Serbia's intention to protect the cultural identity of the Macedonian minority in Serbia. Gruevski told a press conference that Serbia and Macedonia have the joint goal of EU membership and noted that both countries should help one another in achieving that goal. He also voiced satisfaction with the treatment of the Macedonian minority in Serbia. Gruevski and Cvetkovic signed a protocol on economic cooperation including a "firm commitment" to complete the Corridor 10 highway in 2010 and to increase trade in the textile, pharmaceutical, and energy sectors. In addition, Macedonian deputy Minister of Culture Dragan Nedeljkovic and Serbian Minister of Culture Nebojsa Bradic signed a protocol on cultural cooperation calling for exchanges of theater, ballet, and musical groups in both capitals.

¶4. (SBU) Our Macedonian contacts in Belgrade voiced satisfaction with the success of the visit. Macedonian Political Counselor Aleksandar Novotni told us on July 23 that Gruevski's visit succeeded in restoring bilateral relations to the level prior to Macedonia's recognition of Kosovo. According to Novotni, Gruevski's visit had three aims: discussing joint efforts to move toward EU membership, strengthening economic cooperation, and demonstrating Macedonia's commitment to regional cooperation. On all accounts, Novotni said, the Serbian side showed far more goodwill than expected and his government was very optimistic about the bilateral relationship.

Both	Sides	Seek	Constructive	Partnership

- ¶5. (C) Our Serbian interlocutors in recent weeks voiced similar sentiments on the prospects for rebuilding relations with Macedonia. Vladimir Odavic of the MFA's Neighboring Countries Directorate told us that Belgrade sought to initiate a thaw this spring when Foreign Minister Vuk Jeremic visited Skopje to express Belgrade's willingness to welcome a new Macedonian ambassador. President Tadic extended an invitation to Gruevski and President Ivanov at the latter's inauguration in Skopje in May. (The visits by Jeremic and Tadic to Skopje were the first by top Serbian officials since 2007.) Odavic noted that while Belgrade reacted harshly to Montenegro's recognition of Kosovo, the Serbian government had more understanding for Macedonia's decision to recognize because of the "Albanian population problem" and the corresponding need for Macedonia to "keep peace in their house."
- 16. (SBU) Odavic said that high levels of trade between Serbia and Macedonia -- valued at approximately \$900 million both ways last year -- also served to create an economic interest in maintaining good bilateral ties. According to data from the Serbian Chamber of Commerce, Macedonia was Serbia's sixth largest trading partner in 2008 against which Serbia held a \$100 million surplus. However, predominantly as a result of the global economic crisis, two-way trade dropped 37.6% in the first five months of 2009 compared to the same period in 2008. Serbian foreign direct investment in Macedonia totals around \$40 million while Macedonian FDI in Serbia is negligible. According to Serbian Chamber of Commerce President Milos Bugarin, areas in which Macedonia and Serbia could establish or improve cooperation included the energy, telecom, agriculture, metals, textile, chemicals, and machinery sectors.
- 17. (SBU) Our Macedonian contacts in Belgrade shared Odavic's positive assessment of the bilateral relationship. Ljubisa Goergievski, the new Macedonian Ambassador to Belgrade, told the Charge he was very optimistic about improving bilateral relations "in six months" following his June arrival. (Note: Georgievski, the former speaker of Macedonia's parliament, was previously

ambassador to Sofia and a regionally renowned film and theater director.) Novotni said that Jeremic was serious in wanting to cooperate with Skopje on issues involving EU integration, preparations for White Schengen, and border security. Novotni added that Macedonia's ministers of interior and infrastructure had good relations with their Serbian counterparts.

Lingering	Points	of	Contenti	Lon

- 18. (C) Kosovo border demarcation -- leading to the establishment of formal diplomatic relations between Skopje and Pristina -- and inter-church relations remain two sore points in the bilateral relationship. As expected, Odavic said Belgrade was displeased with the exclusion of Serbian officials from the border demarcation commission but expressed only resigned disappointment that the situation would remain an unresolved "frozen mess." Novotni conceded that border demarcation and prospects for Macedonian passports to Kosovo citizens had tainted bilateral relations but did not expect Macedonia's position to hinder other areas of cooperation. Novotni added that speculation in Serbian press that Kosovo President Seidju was disinvited from President Ivanov's inauguration was "complete nonsense" and the result of unnamed Serbian political forces attempting to score political points.
- 19. (C) Regarding the longstanding disagreements between the Serbian Orthodox Church (SOC) and Macedonian Orthodox Church (MOC), Odavic said Macedonia's recent Law on Religious Institutions was acceptable to Serbian interests in protecting SOC properties but that the law was being incompletely administered to the detriment of SOC holdings. Nonetheless, Odavic asserted, Serbia did not plan to intervene and would instead leave the two churches to resolve their differences among themselves. Novotni echoed Odavic's claims of non-intervention in church disputes but commented that the SOC and MOC exercised influence over their respective governments. Novotni asserted that Skopje continued to protect the rights of SOC believers in Macedonia and that dialogue between the two churches was likely to occur with tacit government support from both sides.
- 10. (C) Cross-border access between Serbian and Macedonian religious sites also remains an open, albeit minor issue. Georgievski told the Charge that one of his first steps as ambassador was to get Serbia to allow Macedonian pilgrims to visit the Macedonian monastery Prohor Pcinjski on the Serbian side of the border. Following Gruevski's visit, Novotni told us that political will existed on both sides to resolve this issue and that a technical working group was discussing the logistics of a solution which could come by the end of the year. (Note: For the first time in five years, SOC authorities allowed an official Macedonian delegation led by the Speaker of Parliament to visit Prohor Pcinjski on August 2 to observe the Ilinden holiday.) Odavic told us of Serbia's efforts since 2004 to gain access to World War I military cemeteries containing mostly Serbs on the Macedonian side of the border. Novotni indicated that both sides would discuss resolving these issues by granting access to both sites for both sides.

The View from Skopje

111. (C) The GoM has relatively skillfully managed to walk the tightrope on "Serbia/Kosovo balance." The ethnic Albanian community here -- as well as the international community -- successfully pressured Gruevski to recognize Kosovo in October, for

which he paid a relatively small diplomatic price from Belgrade. While the GoS expelled the Macedonian ambassador (since replaced by Georgievski), the GoM did not expel his counterpart from Skopje. Macedonia has not moved swiftly on completing the border demarcation, but the GoM has generally acted in good faith on the issue, providing much of the technical expertise and financing to get the job done. Gruevski has made establishment of formal diplomatic relations with Pristina contingent on completing the border, which may explain why he is in no hurry.

112. (C) MOC officials tell us that they are pleased with the pace and progress in recent quiet diplomacy with the SOC, which they hope will lead to SOC recognition and full autocephaly. GoM officials hope these talks will eventually result in one less argument for those who wish to deny the Macedonian identity.

Comment

¶13. (C) Gruveski's visit to Serbia comes at a time when Belgrade is actively seeking to demonstrate its ability to be a good regional neighbor. Lacking the intensity of historical and emotional factors that cloud Serbia's bilateral relations with Montenegro or the complexity of open issues with Croatia and Bosnia-Herzegovina, ties between Macedonia and Serbia are relatively easier for Belgrade to repair. For Skopje, it is a balancing act: Gruevski must respond to U.S., European, and ethnic Albanian pressure to normalize relations with Kosovo while at the same time rebuilding Macedonia's relationship with Serbia. Both countries can benefit from cooperation that advances their common goal of EU integration. In the months ahead, we expect Belgrade to showcase its developing relations with Macedonia and for Skopje to continue highlighting its commitment to regional cooperation. End Comment. BRUSH